

### REMARKS

This Application has been carefully reviewed in light of the Final Office Action mailed July 27, 2005 and the Advisory Action mailed October 21, 2005. At the time of the Final Office Action, Claims 1-39 were pending in this Application. Claims 1-39 were rejected. Claims 1-3, 10-15, 17 and 18 have been amended to further define various features of Applicants' invention. Claims 25-33 have been canceled without prejudice or disclaimer. Applicants respectfully request reconsideration and favorable action in this case.

#### **Rejections under 35 U.S.C. § 102**

Claims 1, 2, 7-11, 15-18, 22-28, and 32-39 were rejected by the Examiner under 35 U.S.C. §102(b) as being anticipated by U.S. Patent 4,794,534 issued to Keith K. Millheim ("Millheim"). Applicants respectfully traverse and submit that Millheim cannot anticipate the presently claimed embodiments because Millheim fails to disclose, teach or suggest predicting or modeling multiple pieces of drilling equipment in order to select the drilling equipment to be used in a proposed well as recited.

Millheim is directed to a system and method of remotely monitoring a well that is being drilled. See Col. 1, lines 8-14. Millheim teaches the use of real-time drilling data (from a well that is being drilled) to evaluate "corrective actions" that may be employed in a well whose drilling is not proceeding as planned. Col. 4, lines 43-63. Notably, Millheim does not specifically discuss the nature of the "corrective action(s)" that may be taken and does not discuss modeling or predicting the drilling mechanics of multiple pieces of drilling equipment for a proposed well. Examiner states that "[t]his geology model is apparently one of many models that are used by engineering simulators to simulate further drilling actions (i.e. "predictive drilling performance") for the well being drilled." As noted above, the simulation of "drilling actions" as taught by Millheim does disclose the simulation and comparison of the drilling performance of different pieces of drilling equipment as recited in the claimed embodiments.

For at least these reasons Applicants respectfully request reconsideration, withdrawal of the §102 rejections and full allowance of Claims 1, 10, 15, and 34 and Claims 2, 7-9, 11, 16-18, 22-24, and 35-39 which depend therefrom.

**Rejections under 35 U.S.C. §103**

Claims 3-6, 12-14, 19-21 and 29-31 were rejected under 35 U.S.C. §103(a) as being unpatentable over Millheim. Applicants submit that Claims 3-6, 12-14, 19-21 and 29-31 depend from claims that have now been placed in condition for allowance. Additionally, as described above, Millheim fails to disclose, teach or suggest all of the claimed limitations of such claims. Accordingly, Applicants respectfully submit that Millheim cannot render obvious Claims 3-6, 12-14, 19-21 and 29-31. Applicants request reconsideration, withdrawal of the §103 rejections and full allowance of Claims 3-6, 12-14, 19-21 and 29-31.

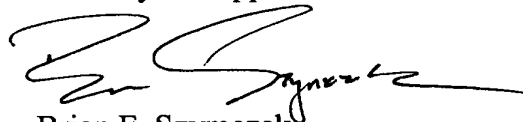
**CONCLUSION**

Applicants have now made an earnest effort to place this case in condition for allowance in light of the amendments and remarks set forth above. Applicants respectfully request reconsideration of the claims as amended.

Applicants enclose a Request for Continued Examination (RCE), and a check in the amount of \$790.00 for the RCE fee. Applicants also enclose a Petition for Three Month Extension of Time, and a check in the amount of \$1,020.00 for the extension fee. Applicants believe there are no additional fees due at this time, however, the Commissioner is hereby authorized to charge any fees necessary or credit any overpayment to Deposit Account No. 50-2148 of Baker Botts L.L.P.

If there are any matters concerning this Application that may be cleared up in a telephone conversation, please contact Applicants' attorney at 512.322.2548.

Respectfully submitted,  
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Date: 1/26/2004

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